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County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

March 06, 2012

20 March 6, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE A SIX-MONTH EXTENSION FOR THE STATEWIDE
FINGERPRINT IMAGING SYSTEM AGREEMENT WITH SELECT STAFFING
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

The Department of Public Social Services (DPSS) seeks an extension of the current Statewide Fingerprint Imaging System (SFIS) Terminal Operator Services contract with Select Staffing, for a six-month period effective April 1, 2012. The amendment also includes the Board-mandated language that is to be added to the insurance provision.

IT IS RECOMMENDED THAT YOUR BOARD:

Delegate authority to the Acting Director of DPSS or her designee to execute an amendment to extend the SFIS contract in substantially similar form as Attachment A with Select Staffing. The amendment will extend the contract for six months effective April 1, 2012 through September 30, 2012 for the provision of fingerprint imaging for CalWORKs and General Relief applicants/participants. The estimated contract cost for the six-month extension period is \$718,000 which has been included in the Department's Fiscal Year (FY) 2011-12 Adopted Budget and FY 2012-13 budget request.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The recommended action is necessary to continue to provide fingerprint imaging services in 32 DPSS district offices, with one clerk assigned to the Men's Central Jail, without interruption while completing the solicitation process. The request for the six-month extension is pursuant to California Department of Social Services (CDSS) Purchase of Service Section 23.621.15, Contract Periods.

In June 2011, DPSS was notified that Assembly Bill (AB 6) was signed by the California State Assembly which would no longer require fingerprint imaging of recipients/applicants of welfare and CalFresh (formerly known as Food Stamps) as a requirement for benefits. Implementation of AB 6 would have eliminated the need for the SFIS program. The uncertainty of the future of the program caused the delay in the SFIS Request for Proposal (RFP) solicitation process.

However, in October 2011, the Governor signed into law a modified version of AB 6 that only eliminated the fingerprint imaging requirements for CalFresh recipients/applicants. Fingerprint requirements for welfare recipients/applicants were unchanged. As a result of the new legislation, the SFIS RFP release on November 8, 2011 was modified to exclude all references to CalFresh.

The Department is requesting an extension of the current contract to ensure that there is no break in service delivery, in the event that there are protest(s) or other unforeseen events that may cause further delays in awarding the contract. CDSS Purchase of Service Section 23-624 - Protest, states the County shall consider any protest or objection regarding the award of a contract, whether submitted before or after the award, provided it is filed within the time period established in the RFP and is consistent with the Countywide Services Contract Solicitation Protest Policy. Extending the current contract will allow time, as need for any protest policy due process for non-selected agencies.

The SFIS Terminal Operator Services program has proven to be an effective tool in fighting fraud in the County's CalFresh, CalWORKs and General Relief programs.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan's Goal #1 - Program Excellence: Deliver the highest quality, effective and individualized services, Strategy #1.1: Service Delivery Systems: Establish clear and concise procedures including measurement and monitoring standards to achieve the highest quality program outcomes.

FISCAL IMPACT/FINANCING

The estimated contract cost for an additional six-month period effective April 1, 2012 through September 30, 2012, is \$718,000. Because there is a CalWORKs Maintenance of Efforts requirement, which will be met by the County, there is no additional net County cost (NCC) for these programs. The share of cost associated with NCC-impacted programs such as General Relief, results in an estimated NCC amount of \$65,000. Sufficient funding has been included in the Department's FY 2011-12 Adopted Budget and FY 2012-13 budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 9, 2010, the Board approved an amendment to extend the SFIS contract with Real Time Staffing Services Inc, dba Select Staffing effective April 1, 2010 through March 31, 2012 under the Contract Extension/Reduction Initiative plan. The County's Contract Extension/Reduction Initiative offered County contractors up to two years of contract extensions beyond their contract expiration date in consideration of a five percent (5%) contract cost reduction.

The Chief Executive Office and County Counsel have reviewed this Board letter. County Counsel has approved the sample contract amendment as to form. The contract amendment will not result in the unauthorized disclosure of confidential information and will be in full compliance with federal, State and County regulations. As this is a Proposition A contract, the Contractor is currently in

compliance with all requirements per the Los Angeles County Section 2.201, Living Wage Program.

CONTRACTING PROCESS

An RFP was issued in August 2006 and the current contract was awarded effective April 2007 through March 2010. On March 9, 2010, the Board approved Amendment Number One to extend the SFIS contract with Select Staffing effective April 1, 2010 through March 31, 2012 under the Contract Extension/Reduction Initiative plan. The Contract Extension/Reduction Initiative offered contractors a two-year contract extension beyond their contract expiration date in consideration of contract cost reduction.

In March 2011, DPSS began a new RFP contract solicitation process for the SFIS contract, which expires on March 31, 2012. The SFIS RFP release was delayed due to the uncertainty of AB 6 that was finally signed into law in October 2011. As a result of the new law the RFP was modified to exclude all reference to the CalFresh program. On November 8, 2011, the SFIS RFP was released. The extension of the current contract will allow for any unforeseen events that may cause further delay in awarding a new contract for SFIS services.

CONTRACTOR PERFORMANCE

The monitoring of the SFIS Terminal Operator Services contract is performed on an annual basis. Results from the most recent monitoring completed on January 23, 2012 indicated the Contractor was in compliance with contract requirements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County. The contract will not result in reduced services.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to DPSS.

The Honorable Board of Supervisors

3/6/2012

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Respectfully submitted,

A handwritten signature in cursive script, reading "Sheryl L. Spiller".

SHERYL L. SPILLER

Acting Director

SLS:vn

Enclosures

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer

**AMENDMENT NUMBER TWO TO THE AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC SOCIAL SERVICES
AND
SELECT STAFFING
TO PROVIDE STATEWIDE FINGERPRINT IMAGING SYSTEM
TERMINAL OPERATING SERVICES
CONTRACT # 76060**

Reference is made to the document entitled "Statewide Fingerprint Imaging System (SFIS) Terminal Operator Services Agreement" and further identified as County Contract Number 76060 by and between County of Los Angeles and Contractor SelectRemedy" dated March 13, 2007, and Amendment Number One dated March 31, 2010 (collectively hereinafter referenced as "Contract").

WHEREAS, CONTRACTOR is a private firm specializing in providing Statewide Fingerprint Imaging System (SFIS) services for Los Angeles County;

WHEREAS, CONTRACTOR has changed its fictitious business name from SelectRemedy to Select Staffing;

WHEREAS, Amendment Number Two will extend the term of the Contract from April 1, 2012 through September 30, 2012; and

WHEREAS, the SFIS services is a Prop A contract and funding for the services of CalWORKs program cases is from CalWORKs Single Allocation.

NOW, THEREFORE, COUNTY and CONTRACTOR hereby agree to amend this Contract as follows:

- I. This Amendment shall commence upon execution. All changes set forth in this amendment shall only be effective upon execution and shall have no retroactive effect.
- II. **CONTRACT, Section 4.0, TERM OF CONTRACT, Paragraph 4.2** is added as follows:
 - 4.2 This Contract is extended for an additional six-month period commencing April 1, 2012 through September 30, 2012. COUNTY has the option to terminate the Contract earlier in accordance with Contract Section 8.65, Termination for Convenience of COUNTY.

III. **AMENDMENT NUMBER ONE, Section 5.0, CONTRACT AMOUNT**
Sub-paragraph 5.2.2 is added as follows:

5.2.2 The maximum contract amount for the six-month extension period is \$718,000.

IV. **CONTRACT, Section 8.0 TERMS AND CONDITIONS, Paragraph 8.41, GENERAL INSURANCE REQUIREMENTS**, is deleted in its entirety and replaced as follows:

8.41 General Provisions for all Insurance Coverage

Without limiting CONTRACTOR's indemnification of COUNTY, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, CONTRACTOR shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon CONTRACTOR pursuant to this Contract. The COUNTY in no way warrants that the Required Insurance is sufficient to protect the CONTRACTOR for liabilities which may arise from or relate to this Contract.

8.41.1 Evidence of Coverage and Notice to COUNTY

- Certificate(s) of insurance coverage (Certificate) satisfactory to COUNTY, and a copy of an Additional Insured endorsement confirming COUNTY and its Agents (defined below) has been given Insured status under the CONTRACTOR's General Liability policy, shall be delivered to COUNTY at the address shown below and provided prior to commencing services under this Contract.
- Renewal Certificates shall be provided to COUNTY not less than 10 days prior to CONTRACTOR's policy expiration dates. The COUNTY reserves the right to obtain complete, certified copies of any required CONTRACTOR and/or subcontractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the CONTRACTOR identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC

(National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any COUNTY required endorsement forms.

- Neither the COUNTY's failure to obtain, nor the COUNTY's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the CONTRACTOR, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Virginia Ngernwichit, County Contract Administrator
Contract Management Division, Section IV
Department of Public Social Services
12900 Crossroads Parkway South – East Annex
City of Industry, CA 91746-3411
Attn: Temporary Secretarial/Clerical Support Services

CONTRACTOR also shall promptly report to COUNTY any injury or property damage accident or incident, including any injury to a CONTRACTOR employee occurring on COUNTY property, and any loss, disappearance, destruction, misuse, or theft of COUNTY property, monies or securities entrusted to CONTRACTOR. CONTRACTOR also shall promptly notify COUNTY of any third party claim or suit filed against CONTRACTOR or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against CONTRACTOR and/or COUNTY.

8.41.2 Additional Insured Status and Scope of Coverage

The COUNTY of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively COUNTY and its Agents) shall be provided additional insured status under CONTRACTOR's General Liability policy with respect to liability arising out of CONTRACTOR's ongoing and completed operations performed on behalf of the COUNTY. COUNTY and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the CONTRACTOR's acts or omissions, whether such liability is attributable to the CONTRACTOR or to

the COUNTY. The full policy limits and scope of protection also shall apply to the COUNTY and its Agents as an additional insured, even if they exceed the COUNTY's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.41.3 Cancellation of or Changes in Insurance

CONTRACTOR shall provide COUNTY with, or CONTRACTOR's insurance policies shall contain a provision that COUNTY shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to COUNTY at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the COUNTY, upon which the COUNTY may suspend or terminate this Contract.

8.41.4 Failure to Maintain Insurance

CONTRACTOR's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which COUNTY immediately may withhold payments due to CONTRACTOR, and/or suspend or terminate this Contract. COUNTY, at its sole discretion, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, the COUNTY may purchase the Required Insurance, and without further notice to CONTRACTOR, deduct the premium cost from sums due to CONTRACTOR or pursue CONTRACTOR reimbursement.

8.41.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the COUNTY with A.M. Best ratings of not less than A:VII unless otherwise approved by COUNTY.

8.41.6 CONTRACTOR's Insurance Shall Be Primary

CONTRACTOR's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to CONTRACTOR. Any COUNTY maintained insurance or self-insurance coverage shall be in excess of and not contribute to any CONTRACTOR coverage.

8.41.7 Waivers of Subrogation

To the fullest extent permitted by law, the CONTRACTOR hereby waives its rights and its insurer(s)' rights of recovery against COUNTY under all the Required Insurance for any loss arising from or relating to this Contract. The CONTRACTOR shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.41.8 Subcontractor Insurance Coverage Requirements

CONTRACTOR shall include all subcontractors as insured's under CONTRACTOR's own policies, or shall provide COUNTY with each subcontractor's separate evidence of insurance coverage. CONTRACTOR shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the COUNTY and CONTRACTOR as additional insured's on the subcontractor's General Liability policy. CONTRACTOR shall obtain COUNTY's prior review and approval of any sub-CONTRACTOR request for modification of the Required Insurance.

8.41.9 Deductibles and Self-Insured Retentions (SIRs)

CONTRACTOR's policies shall not obligate the COUNTY to pay any portion of any CONTRACTOR deductible or SIR. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate policy deductibles and SIRs as respects the COUNTY, or to provide a bond guaranteeing CONTRACTOR's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.41.10 Claims Made Coverage

If any part of the Required Insurance is written on a claim made basis, any policy retroactive date shall precede the effective date of this Contract. CONTRACTOR understands and agrees it shall maintain such coverage for a period of not less than three (3) years following the Contract expiration, termination or cancellation.

8.41.11 Application of Excess Liability Coverage

CONTRACTORS may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow

form” over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.41.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.41.13 Alternative Risk Financing Programs

The COUNTY reserves the right to review, and then approve, CONTRACTOR’s use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The COUNTY and its Agents shall be designated as an Additional Covered Party under any approved program.

8.41.14 County Review and Approval of Insurance Requirements

The COUNTY reserves the right to review and adjust the Required Insurance provisions, conditioned upon COUNTY’s determination of changes in risk exposures.

8.41.15 SPARTA Program

A COUNTY program, known as ‘SPARTA’ (Service Providers, Artisan and Tradesman Activities) may be able to assist potential CONTRACTORS in obtaining affordable liability insurance. The SPARTA Program is administered by the COUNTY’s insurance broker, Merriwether & Williams. For additional information, Proposers may call Merriwether & Williams toll free at (800) 420-0555 or can access their website directly at www.2sparta.com.

- V. **CONTRACT, Section 8.0 TERMS AND CONDITIONS, Paragraph 8.42, INSURANCE COVERAGE REQUIREMENTS**, is deleted in its entirety and replaced as follows:

8.42 Insurance Coverage

- 8.42.1 Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming COUNTY and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.42.2 Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of CONTRACTOR's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.42.3 Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If CONTRACTOR will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the COUNTY as the Alternate Employer, and the endorsement form shall be modified to provide that COUNTY will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to CONTRACTOR's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.42.4 Professional Liability/Errors and Omissions

Insurance covering CONTRACTOR's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and \$2 million aggregate. Further, CONTRACTOR understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

All other provisions, terms and conditions of this Agreement shall remain in full force and effect.

The parties hereto have caused this Amendment Number Two to be executed by their authorized officers.

COUNTY OF LOS ANGELES

By: _____
Sheryl L. Spiller, Acting Director
Department of Public Social Services

Date_____

SELECT STAFFING, INC.

By: _____
Authorized Representative

Date_____

Title: _____

By: _____
Authorized Representative

Date_____

Title: _____

APPROVED AS TO FORM:

BY THE OFFICE OF COUNTY COUNSEL
JOHN KRATTLI, ACTING COUNTY COUNSEL

By: _____
David R. Beaudet
Senior Deputy County Counsel

Date_____